

## Eligible Reimbursable Expenses for Flexible Spending Accounts

### ELIGIBLE MEDICAL EXPENSES

Money set aside in this account may be used to pay for medical expenses not paid for by insurance such as deductibles, co-payments and coinsurance amounts. Employees may also use the money to pay expenses not paid by insurance such as vision and dental services. The money may not be used to pay health insurance premiums, cosmetic surgery, cosmetic items or items that improve "general health". IRS publication 502 outlines the guidelines of allowable expenses. <http://www.irs.gov/publications/p502/index.html>

- Transportation expenses to visit the doctor
- Eye glasses and contact lenses
- Dental expenses, including cleaning
- Podiatrists
- Prescription Drugs
- Medical devices prescribed by a physician
- Co-payments required by your medical plan
- Home care expenses for you and your dependents
- Medical testing and laboratory expenses
- Nutritionist when prescribed by a physician
- Physical therapy
- Acupuncture
- Hearing aids and batteries
- Psychiatric and psychological services

### ELIGIBLE OVER-THE-COUNTER ITEMS

- Band aids
- Birth control
- Braces & supports
- Catheters
- Contact lens supplies & solutions
- Denture Adhesives
- Diagnostic tests and monitors
- Elastic bandages & wraps
- First aid supplies
- Insulin & Diabetic supplies
- Ostomy Products
- Reading glasses
- Wheelchairs, walkers, canes
- Thermometers
- Breast pump

### DEPENDENT CARE

- May reimburse an employee for up to \$5,000 of dependent care expenses each plan year. (\$2,500 for a married employee filing separate tax returns)
- Eligible dependent care must be for the purpose of allowing the employee, or the employee's spouse, to be gainfully employed or to attend school full-time
- Dependent Care expenses must be incurred before being reimbursed
- Qualified dependents are:
  - Children age 12 and under
  - Disabled spouses or,
- Dependents who are physically or mentally incapable of self-care and regularly spend at least 8 hours each day in the taxpayer's household

#### ELIGIBLE DEPENDENT CARE EXPENSES

- Daycare
- Nanny
- Preschool
- Before and After School Care
- Summer Day Camp
- Care for mentally or physically handicapped dependent(s) of any age

#### INELIGIBLE EXPENSES

- Payment to your spouse
- Payment to your child who is under 19 at the close of the tax year
- Overnight camps
- Sports camps
- Private schools
- Kindergarten

### WHEN EXPENSES MUST BE INCURRED

- After the later of the effective date or adoption date of the plan
- After the employee enrolls in the plan
- During a participants "period of coverage"
  - Usually the plan year – 12 months, except for short plan years
  - Includes COBRA coverage period
- Medical expenses are "incurred" when the medical care is provided that give rise to the expense
  - Not when the employee is formally billed, charged for, or pays for the medical care
- Participants cannot reimburse expenses incurred after health FSA participation ends
  - For participants with COBRA, health FSA participation ends when COBRA periods ends